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14 Attorneys for Cross-Complainants, PAUL EDALAT

15 U.S. DISTRICT COURT
16 CENTRAL DISTRICT OF CALIFORNIA
17 SOUTHERN DIVISION
18

19 BRUCE CAHILL, an individual,
20 GREGORY CULLEN, an individual,
21 SHANE SCOTT, an individual and
22 Pharma Pak, Inc. a California
23 Corporation

24 Plaintiffs,

25 vs.
26
27
28

Case No.: 16-cv-00686 AG

COUNTER – CLAIM AND
CROSS-COMPLAINT FOR
DAMAGES BY PAUL EDALAT
FOR VIOLATION OF FEDERAL
RICO LAW, RACKETEERING,
AND FEDERAL SECURITIES
LAW, FRAUD AND DECEIT,
FORGERY, EMBEZZLEMENT,
THEFT, AND CONSTRUCTIVE
TRUST

DEMAND FOR JURY TRIAL

1 PAUL PEJMAN EDALAT, an
2 individual, OLIVA KARPINSKI, an
3 individual, FARAH BARGHI, an
4 individual, SENTAR
5 PHARMACEUTICALS, INC., a
6 Nevada Corporation, BLUE TORCH
7 VENTURES, INC., a Wyoming
8 Corporation, LIWA, N. A., a Wyoming
9 Corporation, SENTUS LAND
10 MANAGEMENT, LLC, a Wyoming
11 Limited Liability Company,
12
13 Defendants
14
15
16
17

18
19 PAUL EDALAT
20 Cross-Complainant
21

22 Vs.
23

24 BRUCE EDWARD CAHILL, an
25 individual, Gregory David Cullen, an
26 individual, Shane Ryan Scott, an
27 individual, Ronald Ventura Franco,
28 an individual, Pharma Pak, Inc., a

1 California Corporation, Brent Cahill,
2 Leslie Harold Wood, Ludwig Jan
3 Weimann, Mark John Erfurt, Erton
4 Aydinol, Kira Lindsay Cahill, Karen
5 Jane Grobba-Cahill, Life Tech Global
6 LLC, a Delaware Corporation, Kira
7 Investments LLC, a California
8 Corporation, Cahill Family Trust, a
9 California Trust, Cahill Bruce E.
10 Trust, a California Trust, First
11 Foundation Bank, a California
12 corporation and Does 1 to 100
13 Cross-Defendants
14

1 CROSS-COMPLAINANT, Paul Edalat alleges as follows:

2 GENERAL ALLEGATIONS

3 1. CROSS-COMPLAINANTS are and, at all times relevant herein, Citizens
4 of State of California.

5 2. Brent Cahill, is and, at all times relevant herein, a Citizen of the State of
6 California. Cahill created projections relied upon by investors, created
7 and maintained the website for Pharma Pak, Inc. (PharmaPakCA.com),
8 earned illegitimate wages, and was directly involved in the conspiracy to
9 defraud Pharma Pak, Inc. and investors.
10

11 3. Leslie Harold Wood, is and, at all times relevant herein, a Citizen of the
12 State of California. Wood created projections relied upon by investors,
13 created and maintained the accounting records for Pharma Pak, Inc.,
14 signed all checks, approved all reimbursements, and was, according to
15 the Statement of Information filed with the State of California, Pharma
16 Pak, Inc.'s Chief Financial Officer. Furthermore Wood earned illegitimate
17 wages, and was directly involved in the conspiracy to defraud Pharma
18 Pak, Inc. and investors.
19

20 4. Ludwig Jan Weimann, is and, at all times relevant herein, a Citizen of
21 the State of California. Weimann brought onto Company property illegal
22 Schedule 1 drugs, authorized and actively participated in the production
23 of illegal medical devices, earned illegitimate wages, and was directly
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involved in the conspiracy to defraud Pharma Pak, Inc. and investors.

5. Mark John Erfurt is and, at all times relevant herein, a Citizen of the State of California. Erfurt illegally accessed non Pharma Pak, Inc. servers and computers in order to obtain trade secrets, stole non Pharma Pak, Inc. computers and servers, destroyed evidence including digital files of the Pharma Pak, Inc. website, electronic mail, and other such electronic documents. Erfurt defrauded Pharma Pak, Inc. through illicit reimbursements and other such payments.

6. Ertan Aydinol is, based upon belief, a Citizen of the State of Colorado. Aydinol conspired to defraud Pharma Pak, Inc. and its investors, and further embezzled cash from the Company. Aydinol earned illegitimate wages, and further conspired to defraud Pharma Pak, Inc. and its investors.

7. Karen Jane Grobba-Cahill is and, at all times relevant herein, a Citizen of the State of California. Grobba-Cahill is a beneficiary of the Cahill Family Trust and Cahill Bruce E. Trust, and conspired with Cahill to produce a fraudulent loan application.

8. Kira Lindsay Cahill is and, at all times relevant herein, a Citizen of the State of California. Cahill is a beneficiary of the Cahill Family Trust and Cahill Bruce E. Trust. Cahill is the controlling shareholder of Kira

1 Investments, LLC, and forged Edalat's signature on an illegitimate lease
2 document. Cahill is a beneficiary of monies received by Kira
3 Investments, LLC from Pharma Pak, Inc. as a result of this forgery.
4

5 9. Cahill Family Trust is and, at all times relevant herein, a Trust formed in
6 the State of California. It is directly involved in the forgery and fraudulent
7 loan application submitted to First Foundation bank.
8

9 10. Cahill Bruce E. Trust is and, at all times relevant herein, a Trust
10 formed in the State of California. It is directly involved in the forgery and
11 fraudulent loan application submitted to First Foundation Bank.
12

13 11. Kira Investments is and, at all times relevant herein a corporation
14 formed in the Stated of California. It is directly involved in the forgery
15 and recipeient of illicit gains via fraudulent rent payments
16
17

18 12. First Foundation Bank, operating in the State of California, is directly
19 involved in Cahill's acts of fraud. First Foundation Bank allowed Cahill to
20 illicitly remove Edalat's name from corporate bank accounts, allowed
21 Cahill to file a fraudulent loan application, and allowed Cahill to commit
22 acts against banking law.
23
24

25 13. Life Tech Global, LLC is and, at all times relevant herein, formed in the
26 State of Deleware, and operating in the State of California. Life Tech
27 Global, LLC is the successor corporation to Pharma Pak, Inc. It has stolen
28

1 Pharma Pak, Inc. assets, cash, and intellectual property, and is the
2 vehicle through which cross-defendants are hiding their illicit activities.

3 14. Plaintiffs' have named Defendant Edalat as Paul "Pejman" Edalat: a
4 deliberate attempt to confuse the record. Defendant Edalat's legal name
5 is, and always has been, Paul Edalat, as Plaintiffs' are well aware.
6

7 15. Plaintiffs are attempting to conduct a campaign of slander against
8 Edalat via the Federal Courts, personal friends of Edalat's, and business
9 associates of Edalat's.
10

11 16. Plaintiffs' have named entities wholly unrelated to the Pharma Pak,
12 Inc. venture in an attempt to disadvantage and otherwise economically
13 harm those entities, and in an attempt to spin the facts of their own
14 gross negligence, embezzlement, and unlawful and fraudulent activities.
15 Plaintiffs' naming of these entities is a deliberate attempt to confuse the
16 record;
17

18 a. Sentar Pharmaceuticals has no relationship to Pharma Pak, Inc.,
19 Plaintiffs' are well aware of this fact.
20

21 b. LIWA N.A. has no relationship to Pharma Pak, Inc. Plaintiffs' are
22 well aware of this fact.
23

24 c. Blue Torch Ventures has no relationship to Pharma Pak, Inc.
25 Plaintiffs' are well aware of this fact.
26
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1 17. Plaintiffs' further construct fictitious entity names in order to
2 deliberately confuse the record. There exists no such entities as "Edalat
3 Family Trust" nor "APS Sciences".
4

5 18. Plaintiffs also seem to be unable to keep their own facts straight, on
6 one hand claiming that Edalat and Karpinski used the *Sentar*
7 *Pharmaceuticals pending patents* to induce their investments into
8 Pharma Pak, Inc., and on the other stating Edalat and Karpinski used
9 the *Pharma Pak, Inc., patents* to induce their investment into Pharma
10 Pak, Inc.
11
12

13 19. That Plaintiffs' filed their initial Complaint on April 12, 2016, waited
14 until May 16, 2016 to file a First Amended Complaint, and further did not
15 properly serve Edalat until May 20, 2016, despite having frequent
16 contact with Edalat's personal counsel on matters concerning Pharma
17 Pak, is indicative of the malicious nature and intent of this Complaint.
18
19

20 a. Proof that Plaintiffs' counsel, John J. Markham was in contact with
21 Edalat's counsel Lisa Salisbury of Salisbury Law Group well before
22 the filing of this Complaint on April 12, 2016 is attached as Exhibit
23
24

25 C.

26 i. Markham and his client Plaintiff Scott attempted to induce
27 Edalat into attendance at a meeting to discuss ongoing
28

1 Pharma Pak, Inc. concerns on April 12, 2016. However,
2 mere hours before the meeting was to take place, Plaintiffs'
3 chose instead to file this Complaint under false pretenses.
4

5 20. That Cahill and Plaintiff's claim Edalat did not disclose his 2014
6 Bankruptcy is deliberately misleading based on the following facts:
7

- 8 a. Plaintiffs' claim to be savvy investors, and thus a perfunctory
9 Internet search would disclose Edalat's bankruptcy, even if, as
10 they claim, he had not.
11
- 12 b. Plaintiff Cahill was well aware of Edalat's bankruptcy, going so far
13 as to offer to fund any bankruptcy related litigation, and introducing
14 Edalat to the partners of prestigious Southern California law firm
15 Hueston Hennigan LLP, whom Edalat would go on to retain.
16 Evidence of Cahill's knowledge is attached hereto as Exhibit D,
17 Exhibit E, and Exhibit F.
18
- 19 c. Edalat disclosed his bankruptcy to Plaintiff Scott, as they
20 discussed other joint business ventures outside of Pharma Pak,
21 Inc., and Scott had himself been through the bankruptcy process
22 twice before in Utah (docket numbers 2:11-bk-20079 and 2:11-bk-
23 23640).
24
25
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1 d. Plaintiff Cullen and Plaintiff Franco were brought in to Pharma Pak
2 by Cahill, and not Edalat, well after Cahill's knowledge of Edalat's
3 bankruptcy. Edalat disclosed his pending bankruptcy litigation to
4 both Plaintiffs in conversations leading up to their investments.
5

6 21. That Plaintiffs disingenuously list Edalat's deceased brother's Ferrari
7 as an asset of Edalat's, disingenuously state that Edalat lied in
8 Bankruptcy proceedings, and maliciously list a bevy of assets that are
9 not owned by Edalat, shows the lengths they are willing to go to
10 perpetuate a falsehood upon the Court.
11
12

13 22. Plaintiffs' repeated characterization of Edalat as a 'fraud' may be
14 construed as not only a deliberate and malicious attempt to interfere in
15 Edalat's business and personal life, but is also indicative of attempting to
16 use the judicial system as a way to protect themselves from charges of
17 slander and libel.
18
19

20 Cahill had been previously warned on two separate occasions by
21 counsel from Manatt, Phelps, and Phillips to cease and desist from his
22 libelous statements to third parties, and chose instead to continue his
23 baseless personal attacks on Edalat by contacting personal friends and
24 business acquaintances of Edalat in an attempt to cause Edalat to react.
25
26 When Plaintiffs' realized Edalat and non-plaintiff shareholders would not
27
28

1 back away quietly, they instead chose to file suit. True and correct
2 copies of communications from counsel Thomas Poletti of Manatt,
3 Phelps, and Phillips are attached as Exhibit G
4

5 23. At the time of the Company's formation in January of 2015, Plaintiff
6 Cahill, and non-plaintiff shareholder John Crowther, were both well
7 aware of Edalat's personal financial situation.
8

9 a. As of approximately October of 2014, Edalat was in negotiations
10 with interested third parties for further development of the 17809
11 Gillette manufacturing facility in Irvine, California. The facility held
12 a valid Pharmaceutical Manufacturing license, a copy of which is
13 attached as Exhibit N, and was ripe for a myriad of business
14 activities. In fact, Cahill attended many meetings in Texas
15 regarding such potential joint venture partners, including some of
16 the largest pharmaceutical compounding operations in the United
17 States. It was on Cahill's advice that Edalat did not partner with
18 these third parties.
19
20
21
22

23 Cahill, among other lulling statements made to Edalat, stated that
24 since he (Cahill) was retired, he was looking for a secondary
25 project to keep him (Cahill) occupied.
26

27 Cahill, seeing the potential value of pharmaceutical compounding
28

1 operations, induced Edalat to partner with Cahill himself in order to
2 enter the pharmaceutical compounding space.

3 b. At this point in the Cahill and Edalat relationship, they had known
4 each other socially for many years, through a trusted mutual
5 friend. Cahill used his clout as a Board of Trustee member for
6 various entities, his philanthropic endeavors, and references to his
7 \$38,900,000 “house on the hill” in Laguna Beach, the Cahill titled
8 ‘Villa de Sogni’ mansion, as proof of his success and established
9 business prowess. Edalat had no reason at this point to doubt
10 Cahill’s sincerity. It was only later that Edalat would come to
11 realize the extent of Cahill’s duplicity.
12
13
14
15

16 24. In February of 2015, Cahill and Crowther urged Edalat to sell Edalat’s
17 personal shares in the newly formed Pharma Pak, Inc. venture in order
18 to raise needed personal funds for ongoing bankruptcy litigation. Cahill
19 brought to the table multiple potential investors for Pharma Pak, Inc.,
20 including Plaintiffs Cullen and Franco.
21
22

23 25. In September of 2015, Cahill was actively soliciting further investors
24 for the Pharma Pak, Inc. venture. In a text message dated September
25 24, 2015, Cahill stated to Edalat, “*Paul At lunch with investors about to*
26 *make you rich*”. Cahill goes on to say, “*There are a couple of doctors*
27
28

1 *here in San Diego that are wealthy and just cashed out \$100 meg [sic]*
2 *on an IPO. Have taken a couple of companies through IPO. Bring*
3 *money and expertise.* Furthermore, that Plaintiffs' accuse Edalat and co-
4 defendant Karpinski of working on both Pharma Pak, Inc. and Sentar
5 related matters is laughable. Cahill's own text message from September
6 24, 2015 further states, "*Simple first. PharmaPak. Then discuss Sentar.*
7 *Trying my best to solve our problems.*". A copy of this text message is
8 attached herein as Exhibit H.
9
10
11

12 26. Cahill repeatedly stated to Edalat that Cahill himself did not have the
13 liquidity needed to fund the venture, and that outside investors would
14 need to be sought. However, as will be illustrated further, this was a
15 falsehood designed to fraudulently induce Edalat into diluting himself out
16 of Pharma Pak, Inc., and to reduce Edalat's shareholder status in the
17 Company.
18
19

20 a. Attached as Exhibit I is a true and correct copy of an email from
21 Plaintiff Cahill to Plaintiff Cullen, also mistakenly sent to Edalat, on
22 January 29, 2016, wherein Cahill clearly lays out how he planned
23 to dilute Edalat from the Company in order to give himself a
24 majority Shareholder position.
25
26
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1 27. Cahill introduced plaintiff Gregory David Cullen to Defendant Edalat
2 for investment into Pharma Pak, Inc.

3 a. Plaintiff Cullen received due diligence documents on Pharma Pak,
4 Inc., including projections, from Pharma Pak, Inc. "Chief Financial
5 Officer" Leslie Harold Wood on or about August 24, 2015.

6 Attached as Exhibit J, is a true and correct copy of the
7 communication between Wood and Cullen regarding Pharma Pak,
8 Inc.
9

10 b. In a September 14, 2015 text message from Cahill to Edalat, Cahill
11 states, in part, "*Glad you and Greg could work it out. He will be a*
12 *great partner.*" Furthermore, in a follow up September 17, 2015
13 text message from Cahill to Edalat, Cahill states, "*Call Greg He's*
14 *in but just wants to make sure all the documents are in order. Greg*
15 *will be like John Crowther, provide funding without second*
16 *guessing all of our decisions.*" In essence, Cahill was actively
17 seeking to fill the investor roster with those he knew would not
18 interfere with daily operations or Cahill's mis-management of
19 Pharma Pak, Inc. A copy of these text messages is attached
20 herein as Exhibit K and Exhibit L, respectively.
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1 c. In an October 10, 2016 text message from Plaintiff Cahill to Edalat,
2 Cahill stated, in part, "*just finished with Greg He is still back east.*
3 *Returning tomorrow I think he can come up with \$250k next week,*"
4 and "*Hope you can Close [sic] the deal Paul*". This message is
5 attached herein as Exhibit M.
6

7
8 d. Plaintiff Cullen purchased a quantity of Edalat's personal shares,
9 and a quantity of Company held shares for a total of 2.5% of
10 Pharma Pak, Inc. shares on or around October 2015. Plaintiff
11 Cullen paid to Edalat \$100,000 for Edalat's shares, and paid to
12 Plaintiff Cahill a further \$150,000 for the remaining shares.
13
14 Plaintiffs' allegation that Cullen gave to Edalat personally
15 \$250,000 is a blatant falsehood.
16

17
18 28. Cahill introduced plaintiff Ronald Ventura Franco to Edalat and
19 Pharma Pak, Inc. Franco purchased his shares directly from the
20 corporation on or around October 2015. Edalat is informed based on
21 belief that Plaintiff Franco paid to Plaintiff Cahill directly monies for his
22 certain percentage in Pharma Pak, Inc.
23

24
25 29. Plaintiff Scott, Scott's business partner Chris Campbell, and Scott's
26 trust EL-1 Trust purchased a quantity of Edalat's personal shares on or
27
28

1 around November 2015. True and correct copies of the communication
2 regarding this purchase is attached as Exhibit N.

3 a. Furthermore, as part of his investment discussions with Edalat,
4 Scott made statements to Edalat regarding the success of his
5 ongoing multi-level marketing and distribution businesses in the
6 dietary supplement sector. Knowing of Edalat's nearly three
7 decades of experience in the dietary supplement industry, Scott
8 found Edalat's contacts and knowledge to be a valuable asset for
9 his operations, and attempted to leverage this in order to acquire
10 Edalat's rolodex of contacts.
11

12 b. Scott, along with Scott's attorney Matthew Starley, conceived an
13 idea to create a company with Edalat that would acquire various
14 brands in the dietary supplement sector.

15 Scott attempted to induce Edalat to introduce Edalat's wealthy
16 friends and contacts to Scott for investment in this new venture
17 named Maybach. In early January 2016, Scott's assistant was
18 soliciting information from Edalat in order to put together an
19 Executive Summary for the newly formed Maybach corporation.
20 Edalat was promised 50% of this new venture. To date Edalat has
21 received no information regarding Maybach, no corporate
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1 documents, and none of the marketing materials Scott implied he
2 was creating.

3 c. Scott further intended to induce Edalat into investment in Scott's
4 so called 'church', a money laundering scheme utilized by Scott
5 and his partners in order to avoid paying taxes. Scott had, in
6 passing, made reference to this so called Church as located in the
7 State of Georgia.
8
9

10 30. At the time of Shareholders' collective initial investments, Cahill was
11 said to have secured certain patent rights from Weimann, the Chief
12 Technical Officer of the Company. As part of his employment, Weimann
13 was to develop certain patents for Pharma Pak, Inc.
14
15

16 i. Weimann and Cahill further conspired to place patent
17 applications for illicit substances under Edalat's name in
18 order to hide the true originator of the patents.
19

20 ii. Weimann and Cahill are currently conspiring, as of June
21 2016, to reassign patents otherwise belonging to Pharma
22 Pak, Inc.
23

24 iii. It was the promise of these certain Pharma Pak, Inc. patents
25 that caused Edalat and other investors to continue funding
26 Pharma Pak, Inc. operations.
27
28

1 31. Plaintiff Cahill had induced Edalat to allow him to become CEO and
2 President of Pharma Pak, Inc., by promising to leverage his various
3 contacts acquired over the decades.
4

5 a. One such person Cahill courted for Pharma Pak, Inc. was Dr.
6 Elizabeth M. Hagerman, a former fellow Trustee of Rose-Hulman
7 Institute of Technology with Cahill. Cahill stated that Hagerman, a
8 former Baxter Healthcare executive, would be interested in joining
9 the Board for Pharma Pak, Inc.
10
11

12 i. Cahill brought Hagerman to the Pharma Pak administrative
13 offices at 17802 Sky Park Circle, brought Hagerman to the
14 17809 Gillette Ave manufacturing facility, and also flew to
15 Indianapolis to visit Hagerman.
16
17

18 b. Another individual Cahill sought to bring in for Pharma Pak, Inc.
19 was Associate Professor of Pharmaceutical Sciences at the
20 University of California at Irvine Mahtab Jafari. Attached as Exhibit
21 O is a copy of Cahill's October 11, 2015 text message.
22

23 c. Cahill stated in various meetings for Pharma Pak, Inc., that his
24 contacts spanned the Pharmaceutical and Technology industries,
25 and that he would fill the Board of Directors with notable names.
26
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1 However, to date Cahill had failed to bring any of these individuals
2 on for Pharma Pak, Inc.'s benefit.

3 32. Plaintiffs fraudulently and maliciously claim that Sentar
4

5 Pharmaceuticals is a successor corporation to Scilabs Nutraceuticals,
6 which is not only a blatant falsehood, but intended to interrupt and
7 otherwise materially disadvantage future business of Sentar
8 Pharmaceuticals.
9

10 a. Plaintiff Cahill is well aware that Scilabs Nutraceuticals, Inc. had
11 no relationship to Sentar Pharmaceuticals nor any other Edalat
12 entity. Furthermore, Cahill was entirely aware of the developing
13 FDA concerns, and of its resolution. As an example of proof of
14 such knowledge find attached as Exhibit P, a true and correct copy
15 of an email from Edalat to Cahill regarding the matter, and Edalat's
16 full disclosure of the situation.
17
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19

20 b. Plaintiff Cahill had been involved with multiple conversations
21 concerning the Scilabs Nutraceuticals, Inc. and Scilabs
22 Pharmaceuticals (a DBA of EFT Global Holdings) distinction,
23 including conversations with Food and Drug Administration
24 counsel Stephen Cook at Brown Rudnick, LLP. Attached as
25 Exhibit Q is just one such example.
26
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1 In fact, Cahill urged Edalat *on multiple occasions* to change the
2 original name of Scilabs Pharmaceuticals to avoid the very
3 confusion Plaintiffs attempt to capitalize on.
4

5 c. Plaintiff Cahill was fully aware that EFT Global Holdings dba
6 Sentar Pharmaceuticals sought to formalize the Sentar
7 Pharmaceuticals name in preparation for potential future business
8 endeavors including investment, potential IPO, and finalization of
9 the Sentar patents.
10
11

12 i. As Plaintiffs' have made apparent, their lack of due
13 diligence, and desire to confuse the record, is profound.
14

15 While Sentar Pharmaceuticals, Inc. is registered in Nevada,
16 no operations have moved to Nevada, no business takes
17 place in Nevada, and furthermore the registration was
18 nothing more than reservation of the Sentar Pharmaceuticals
19 name.
20
21

22 d. Plaintiff Cahill, used his long standing corporate experience, and
23 leveraged his existing Board of Trustees positions with the
24 University of California at Irvine, Rose-Hulman Institute of
25 Technology, the Oceania Institute, and other institutions, to induce
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1 Edalat into allowing Cahill to become an 'advisor' to Edalat in
2 regards to Sentar's development, among other things.

3 e. At the time Cahill stepped in to advise Edalat on Sentar related
4 matters, Sentar was in the preliminary stages of potential Initial
5 Public Offering conversations. Cahill attended many of these
6 meetings in the guise of advisor to Edalat.
7

8
9 f. Plaintiff Cahill gave instrumental input to Defendant Barghi in
10 regards to EFT Global Holdings dba Sentar Pharmaceuticals
11 related marketing materials from on or around February 2015
12 through approximately November 2015. These marketing
13 materials included the Sentar Pharmaceuticals Website Plaintiffs'
14 quote in their First Amended Complaint.
15
16

17 33. Plaintiffs fraudulently and maliciously claim that the Sentar
18 Pharmaceuticals patents are illegitimate, and that work on patent related
19 matters for Sentar Pharmaceuticals had ceased. They know this to be
20 untrue. In fact, the patent has moved to advanced stages of inspection
21 by those countries IP protection has been applied for. Furthermore,
22 Cahill was updated on the patent process, and in communication with
23 Sentar patent attorney Peter Gluck, formerly of Brown Rudnick LLP, at
24 least through December 2015. Attached as Exhibit R is one such
25
26
27
28

1 example of Cahill's communication with Sentar attorney Gluck. Plaintiffs
2 have made this claim in an attempt to disadvantage and otherwise
3 thwart Sentar's current business, and have in fact materially
4 economically damaged Sentar Pharmaceuticals with the filing of this
5 malicious complaint.
6

7
8 34. Plaintiffs are well aware that a valid pharmaceutical processing
9 license existed for the 17809 Gillette facility, a copy of which is attached
10 herein as Exhibit S. A copy of this license was, until at least January
11 2016, physically present on the wall at the 17809 Gillette facility. The
12 license did not expire until February 13, 2016, and was, even with the
13 FDA consent decree, able to be utilized until such time that Pharma Pak
14 obtained its own licensure.
15
16

17
18 35. Plaintiffs are well aware that it was Cahill's complete and utter refusal
19 to obtain necessary licensure on the 17809 Gillette Avenue facility that
20 lead to the lack of finalized purchase orders. Cahill's repeated
21 statements that "I've got this buddy" and "it's being handled" were lulling,
22 and induced Edalat to otherwise believe that Cahill was handling the
23 necessary applications,
24
25

26 a. Pharma Pak employees were, as early as February of 2015,
27 actively seeking information on, and gathering documentation for,
28

1 appropriate licensing for the 17809 Gillette facility. At the time of
2 Karpinski's hire in June of 2015, repeated requests for Cahill's
3 input and signature had already been made. A multitude of
4 supporting documents in this regard have been submitted for the
5 Court's review under Defendant Karpinski's Answer to the First
6 Amended Complaint, Docket Number 29 in this case. In the
7 interests of conserving the Court's time, Defendant Edalat does
8 not reincorporate those Exhibits in Edalat's Answer.
9
10
11

12 36. Plaintiffs are well aware that it was Cahill's own personal counsel,
13 Timothy Balog of Balog & Rasch LLP, that incorporated the Pharma Pak
14 name on or around February 10, 2015, and further that Balog's office
15 controls the Books and Records of the entity.
16
17

18 a. Attached as Exhibit T is a true and correct copy of the Articles of
19 Incorporation of General Stock Corporation filing with the
20 California Secretary of State. Furthermore, attached as Exhibit U
21 are true and correct copies of the founding Articles of
22 Incorporation of Pharma Pak, Inc. listing Edalat as Secretary of the
23 Corporation.
24
25

26 b. Without Shareholder approval, and unbeknownst to Edalat and the
27 other Shareholders, Cahill and Leslie Harold Wood filed a
28

1 Statement of Information with the California Secretary of State on
2 April 1, 2015, removing Edalat as Secretary, and placing Wood as
3 both Secretary of Pharma Pak, Inc., and Chief Financial Officer. A
4 true and correct copy of this document is attached as Exhibit V.
5

6 c. Unbeknownst to Edalat, Cahill utilized this document to remove
7 Edalat's name from the corporate bank account. Given Cahill's
8 long standing relationship with First Foundation Bank in Newport
9 Beach, California, as both a retail banking customer, and a
10 Trustee at the University of California, Irvine, Cahill was able to
11 use this relationship to improperly remove Edalat's name from the
12 Pharma Pak, Inc. corporate bank accounts without notice to, or
13 approval of, the Pharma Pak Board of Directors or Edalat himself.
14 Cahill had, on many previous occasions, boasted about his
15 relationship with the First Foundation Bank CEO. It is also believed
16 that Cahill utilized the services of Assistant Vice President Kyle
17 Auslander and Universal Banker Claudia "Isela" Esquivel for his
18 fraudulent transactions.
19

20 d. Attorney Balog failed to conduct appropriate and timely
21 Shareholder meetings, failed to keep updated and complete
22 copies of records, failed to circulate copies of relevant documents
23
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1 altered by Cahill, and neglected to keep shareholders informed of
2 their rights pertaining to inspection of such records, at the direction
3 of Plaintiff Cahill.
4

5 In fact, Plaintiff Cullen noted the sloppy recordkeeping practices of
6 Cahill and Counsel in an email dated September 18, 2015 to both
7 Cahill and Edalat regarding his investment and involvement in
8 Pharma Pak, Inc. Attached is a true and correct copy of this email
9 as Exhibit W.
10
11

12 37. Plaintiffs repeatedly accuse Edalat of illicit visits to Las Vegas, when
13 in fact they were well aware of Edalat's presence at meetings in Las
14 Vegas to further Pharma Pak, Inc. business. Attached as an example of
15 Plaintiffs' knowledge as Exhibit X is a copy of Cahill's October 19, 2015
16 text message to Edalat stating, in part, "*Paul Stay in Vegas and keep*
17 *everything moving there.*"
18
19

20 38. Plaintiffs repeatedly accuse Edalat and Karpinski of misusing
21 Company funds for personal enrichment, despite being aware of the
22 following facts:
23

- 24 a. Neither Edalat nor Karpinski had access to the Corporate bank
25 accounts, all reimbursements to both parties were approved by
26 Cahill and further signed for by Pharma Pak, Inc., "Chief Financial
27
28

1 Officer” Leslie Harold Wood, a long time lackey and employee of
2 Cahill’s.

3
4 b. The venue of Las Vegas, Nevada was a convenient middle point
5 between Scott’s location in St. George, Utah, and the Pharma
6 Pak, Inc. offices in Irvine, California. Due to frequent travel to the
7 city, and with the intention of overseeing operations at the new
8 Sentus facility at 1850 Whitney Mesa in Henderson, Nevada
9 Edalat personally rented an apartment on the Las Vegas Strip.
10 Plaintiffs’ were all frequent guests, and used the apartment at any
11 time they wished.
12
13

14
15 c. Cahill, and his son Brent (employed by Pharma Pak, Inc. as a
16 financial analyst) used the cover of Company funded meetings in
17 Las Vegas as unauthorized, *Company funded*, vacations.
18
19 On or about June 1, 2016, at a Pharma Pak, Inc., meeting in Las
20 Vegas, Cahill brought with him a Dr. Stefanie Bernritter Kleine or,
21 “Dr. K”, whom Cahill stated held three PhD’s from the University of
22 California, Los Angeles, the University of Chicago, and
23 Pepperdine University. Attached as Exhibit Y is a screen shot of
24 Bernritter-Kleine’s public Facebook.com profile. Exhibit Z is a true
25 and correct copy of Cahill’s email to Edalat dated February 18,
26
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1 2016 wherein Cahill states that “Dr. K” was a neurological expert,
2 and actively working with the National Football League conducting
3 concussion research, and further that “Dr. K” was a well respected
4 researcher for children’s brain issues. (It would later be discovered
5 that Kleine holds no such credentials.) Attached as Exhibit AA is a
6 a copy of Kleine’s LinkedIn.com account, and as Exhibit BB a copy
7 of Kleine’s Curriculum Vitae as posted to her website
8 workingmindscoaching.com
9
10

11 Despite Cahill’s statements, and insinuations that Kleine would be
12 acting in an advisory capacity to Pharma Pak, Inc., at no time was
13 “Dr.” Kleine involved in furthering Pharma Pak, Inc. business
14 opportunities despite her presence at these meetings.
15
16

17 In fact, Cahill referred to Kleine as his “assistant” in the presence
18 of potential Company partners, allowed her to attend confidential
19 meetings, discussed with her confidential Company information,
20 and further had Kleine accompany him on a trip to the Crazy
21 Horse III, a famous Las Vegas adult entertainment establishment.
22
23

24 Cahill, in an unauthorized use of Company funds, paid for her
25 travel and meals, and allowed Kleine to charge spa services to
26 Company funded suite at the Wynn Encore Hotel in Las Vegas,
27
28

1 Nevada. Attached as Exhibit CC is a screen shot of Kleine's own
2 social media page, placing her at the Encore the same weekend
3 as Cahill, with a picture of the suite Edalat provided for Cahill's
4 use.
5

6 i. Cahill's pattern of extramarital affairs, and sexual
7 harassment of women, only became apparent to Edalat
8 towards the end of 2015, when he began to have more
9 personal conversations with Cahill associates, including
10 Cahill's wife, Karen Jane Cahill (nee Grobba). Grobba-Cahill
11 conspired with her husband to lull Edalat into further
12 investments of monies and resources into Pharma Pak, Inc.
13 for her own benefit.
14

15 ii. Despite his close professional relationship with Defendant
16 Karpinski, Edalat was unaware that Cahill had been
17 harassing Karpinski since her hire.
18

19 d. Defendant Scott was also present at many Pharma Pak, Inc.
20 related meetings in Las Vegas. Scott, usually accompanied by
21 females he passed off as his assistants, would drink heavily, and
22 was known to take these assistants back to his Company provided
23 hotel rooms, or on excursions to local adult entertainment
24
25
26
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1 establishments.

2 One such assistant, by the name of Ramon Sekhon, accompanied
3 Scott on at least two visits to Las Vegas. Sekhon's own social
4 media put her in the same hotel as Scott the same weekends as
5 Company related meetings. Attached as Exhibit DD are Sekhon's
6 own photographs with locations placing Sekhon at the Wynn
7 Encore Hotel in Las Vegas Nevada the same weekend as a
8 Company meeting with Plaintiff Scott.
9
10
11

12 e. Both Plaintiff Cahill and Plaintiff Scott were known to drink
13 excessively, with Scott frequently becoming inebriated and running
14 up large tabs during Company dinners.
15

16 f. In fact, thousands of dollars of reimbursements remain outstanding
17 to Edalat, who not only paid for many of these business related
18 dinners, but used his own personal 'comps' in Las Vegas to obtain
19 suites for Plaintiff Cahill, Plaintiff Scott, and their various guests.
20
21

22 39. Plaintiffs fraudulently state that Edalat, and co-defendant Barghi,
23 created and maintain Sentus Land Management, the operating company
24 holding title to the property at 1850 Whitney Mesa Drive in Henderson
25 Nevada. Cahill himself was heavily involved in the negotiations for
26 purchase of the 1850 Whitney Mesa property, but also the development
27
28

1 of potential business opportunities in the building.

2 Proof that Plaintiffs are fully aware of the true owners and incorporators
3 of Sentus is attached as Exhibit EE. Furthermore, Plaintiffs have had
4 ample access and opportunity to inspect the 1850 Whitney Mesa Drive
5 property, and are fully aware that it is, and always has been,
6 unoccupied. In fact, Defendant Edalat and Defendant Barghi have
7 performed thousands of dollars of uncompensated renovation work
8 within the building.
9
10
11

12 40. Plaintiffs' are aware that Defendant Cahill had, for personal gain,
13 otherwise abused his position as CEO at Pharma Pak, Inc., to pay for
14 personal expenses, including a fraudulent forged lease, fraudulent
15 salary to himself, conspiracy with Wood to defraud the lessor of the
16 manufacturing facility and utility companies, and embezzlement from the
17 Corporate bank account. These items were discovered in or about
18 January 2016 by non-plaintiff shareholder Amir Asvadi. It was also
19 around this time that Edalat discovered Plaintiffs Cahill, Cullen, Scott,
20 and Franco, were actively conspiring to remove Edalat from Pharma
21 Pak, Inc.
22
23
24
25

- 26 a. Plaintiff Cahill forged Defendant Edalat's signature on a lease
27 between a "Scilabs Pharma, Inc." and Kira Investments LLC – a
28

1 Cahill family entity- for office space at Kira Investments owned
2 property 17802 Sky Park Circle in Irvine, California. A true and
3 correct copy of this forged lease is attached as Exhibit FF. Kira
4 Investments is a defunct entity in the State of California: attached
5 as Exhibit GG, is a copy of the California Secretary of State's
6 website illustrating this fact.
7
8

9 i. Edalat only became aware of the existence of this lease in or
10 around January of 2016 during a Shareholder meeting.
11

12 Plaintiff Cullen sent a copy of this lease to non-plaintiff
13 shareholder Amir Asvadi on February 20, 2016. A copy of
14 Cullen's email is attached as Exhibit HH.
15

16 ii. According to public tax records, Cahill and the Cahill Family
17 Trust along with Cahill Bruce E. Family Trust used this lease
18 document in or about March 2015 as part of a loan
19 application with First Foundation Bank for \$5,000,000
20 against the property located at 1330 Moorea Way in Laguna
21 Beach, California, APN 641-491-03 and 641-491-02.
22
23

24 iii. Cahill has a longstanding relationship with First Foundation
25 Bank as both a retail banking customer and as Trustee of
26 the University of California at Irvine. Cahill may have
27
28

1 leveraged his position as Trustee in order to gain favors from
2 First Foundation Bank.

3
4 iv. On February 17, 2016 Plaintiff Cullen emailed a copy of a
5 Microsoft Excel spreadsheet to all Pharma Pak, Inc.,
6 shareholders. A copy of this email is attached as Exhibit II.

7
8 1. The subject forged lease is dated January 1, 2015.

9
10 2. Kira Investments did not begin taking payments from
11 Pharma Pak, Inc. until approximately August of 2015.

12
13 3. Kira Investments took payments until February of
14 2016.

15
16 4. In total Kira Investments took over \$31,000 in 7 rent
17 payments from Pharma Pak, Inc. in addition to over
18 \$35,000 in security deposits and payments that are
19 unaccounted for. A screenshot detail of the document
20 provided on February 17, 2016 by Plaintiff Cullen is
21 attached as Exhibit JJ, and illustrates the payments
22 made by Pharma Pak, Inc. to Kira Investments, LLC
23 for the supposed lease. No accounting exists for those
24 monies removed by Cahill directly from the Pharma
25 Pak, Inc. bank account.
26
27
28

1 v. Defendant Edalat, knowing that he did not sign said lease
2 with Kira Investments, immediately sent a copy of this lease
3 to a hand writing analysis expert, Phil Sprague.
4

5 Sprague's credentials included over 5,000 criminal and civil
6 trials as an expert witness for a multitude of law enforcement
7 agencies, including the FBI. Sprague's analysis concluded
8 that Edalat's signature on the Kira Investments lease was a
9 forgery, and this assessment is attached as Exhibit KK.
10

11 vi. Edalat is informed based on belief that Kira Investments is
12 the vehicle through which Plaintiff Cahill funnels monies to
13 his daughter, Kira Cahill. Plaintiff Cahill had previously made
14 statements in late 2015 to Edalat and others that his
15 daughter had "blown through" over \$100,000 in less than
16 three months due to her "Hollywood lifestyle". Furthermore,
17 Plaintiff Cahill had alluded to Cahill's ongoing narcotics habit.
18 Cahill frequently called Plaintiff Cahill asking for money, and
19 Kira Investments was a convenient way to surreptitiously
20 provide funding for Cahill's lifestyle.
21
22
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25

26 b. Cahill paid to himself, without Shareholder approval, or notice to
27 other shareholders, a salary of \$20,000 per month.
28

1 c. Cahill paid personal expenses through the Pharma Pak, Inc. bank
2 account, including but no limited to personal credit card payments,
3 and reimbursements.
4

5 d. Cahill, without notice to shareholders, conducted two transactions
6 below the \$10,000 threshold at First Foundation Bank in an
7 attempt to evade required reporting for cash transactions over
8 \$10,000.
9

10 e. Cahill deliberately conspired with Wood to defraud Olen
11 Corporation, the lessor of the 17809 Gillette Avenue
12 manufacturing facility by failing to pay rent for the months of
13 February and March, without notifying Olen of lease termination, or
14 notifying the other shareholders, including Edalat. Given his long
15 standing relationship with Olen Corporation, Edalat was personal
16 guarantor on this property lease.
17

18 f. Cahill deliberately conspired with Wood and failed to pay invoices
19 due to vendors, utilities, and contractors in an attempt to saddle
20 Edalat with the impending debt on the 17809 Gillette property.
21

22 41. Plaintiff Scott, made lulling statements to Edalat that he “sided” with
23 Edalat in the ongoing dispute with Cahill, going so far as to call Cahill
24 “bipolar”, a “narcissist”, “seriously manipulative”, and questioning if Cahill
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1 was using the illicit Tetrahydrocannabinol “THC” patches made by Dr.
2 Ludwig Weimann, during a phone call with Edalat and others. Scott
3 repeatedly stated that he would assist Edalat and non-plaintiff
4 Shareholders in regaining control of Pharma Pak, Inc., and that his
5 existing companies were the perfect model of distribution for Pharma
6 Pak, Inc. products.
7

8
9 a. A series of text messages between Scott and Edalat in early
10 February 2016 illustrate Scott’s attempts to earn Edalat’s trust, and
11 thus retrieve sensitive and confidential data from Edalat.
12

13 i. Scott’s February 1, 2016 text message read, in parts “*I am*
14 *really grateful for the opportunity to work with you,*” “*your*
15 *[sic] loaded with gifts bro,*” “*You have made a lot of money*
16 *because its [sic] a direct result of who you are. I could throw*
17 *you in a pile of shit and you would come out smelling like a*
18 *rose. I may not be good at the tables in vegas [sic] but I am*
19 *good with people. My money is on your [sic] bro.*”. A copy of
20 this message is attached herein as Exhibit LL.
21

22 ii. In a February 4, 2016 text message to Edalat, Plaintiff Scott
23 states to Edalat that Matthew Starley, Scott’s counsel,
24 advised that Edalat should revoke his signatures on
25
26
27
28

1 documents recently signed by Edalat for Pharma Pak, Inc.

2 Attached herein as Exhibit MM is a copy of this text
3 message.
4

5 iii. A further message from Scott in the same chain goes on to
6 say that *"People like Bruce think everything is real so they*
7 *take everything personal and constantly feel threatened,"*
8 and *"...by allowing Bruce to feel like he is winning the game*
9 *when in fact he is playing the game exactly the way the*
10 *conscious person is dictating."* Scott further went on to state
11 that *"Paul from day one I could tell that you knew that life is a*
12 *game. That's what make [sic] you powerful."* A copy of this
13 message is herein attached as Exhibit NN.
14
15
16
17

18 b. Scott manipulated Edalat into allowing Scott access to Edalat's
19 counsel, Lisa Salisbury, and all legal strategy, and further shared
20 this information with his fellow Plaintiffs. Scott never intended to
21 engage Edalat's counsel, and only made false statements to
22 Edalat in an attempt to glean information in a long planned
23 conspiracy with co-plaintiffs. As of June 2016, Scott is actively
24 participating in the Life Tech Global LLC venture with Cahill and
25 Plaintiffs.
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1 42. Plaintiff Cullen repeatedly stated to Edalat and other shareholders
2 that Cullen would step in as interim “Chief Financial Officer” in order to
3 sort out not only the financial affairs of Pharma Pak, but assist in placing
4 a proper valuation on the Company. Cullen took the lead in collecting
5 missing corporate documents in a February 2, 2016 email to Pharma
6 Pak, Inc. counsel Timothy Balog. Furthermore, Cullen agreed with non-
7 plaintiff shareholder Amir Asvadi that the Company and fellow
8 shareholders would not be held liable for, nor be liable for defense
9 against, any misdeeds by Cahill. A true and correct copy of Asvadi’s
10 email dated February 11, 2016 is attached herein as Exhibit OO. A true
11 and correct copy of Cullen’s email stating “*No shareholder should have*
12 *to defend a CEO for wrong doing. I agree*” dated February 11, 2016 is
13 attached as Exhibit PP.
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19 43. In or about February 2016, Karpinski and other employees
20 discovered Cahill, Cullen, Scott, and Franco had conspired with Dr.
21 Weimann and Ertan Aydinol, to produce, among other things, illegal
22 Tetrahydrocannabinol “THC”, a Schedule 1 drug, at the Gillette Avenue
23 facility, despite the lack of appropriate licensing. After learning of this,
24 Karpinski notified Edalat, who upon consultation with the FDA, FDA
25 counsel, and FDA consultants among others, informed the Irvine Police
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1 Department. Upon their investigation at the 17809 Gillette Avenue
2 facility, the responding IPD officers noted that the stash of
3 Tetrahydrocannabinol (“THC”) containing products found within the
4 building was the largest they had seen to date. There is currently an
5 open investigation with the Irvine Police Department, Case number 16-
6 3257, assigned to Detective Grange. Attached as Exhibit QQ is a true
7 and correct copy of the Irvine Police Department business card with the
8 pending investigation case number.
9
10
11

12 44. That same week, Dr. Weimann informed Plaintiffs, that the Irvine
13 Police Department had removed the THC from the 17809 Gillette facility
14 building, upon discovering this fact, Cahill fired *some*, but not all, of the
15 employees in retaliation against Edalat. These employees have filed a
16 wrongful termination claim against Cahill and Plaintiffs’.
17
18

19 45. On March 3, 2016, Cahill, Wood, and the unnamed “private
20 investigator” told Defendant Karpinski that a “majority shareholder’s
21 vote” had dissolved the corporation. No such vote had taken place. In
22 fact, Edalat’s counsel, Thomas Poletti of Manatt Phelps Phillips, warned
23 Cahill in a letter dated March 4, 2016 not to proceed with this course of
24 action. Attorney Poletti’s letter further requested access to applicable
25 Books and Records for the Company, which were never provided.
26
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1 Attached as Exhibit RR is a copy of the letter addressed to Cahill from
2 Manatt, Phelps, Phillips.

3 46. Cahill, Wood, and Cahill's unnamed "private investigator" told the
4 manufacturing employees that "[Edalat's] actions" had caused them to
5 be fired, and that Pharma Pak was being shut down. Employees
6 harassed and threatened with legal action include: Olivia Karpinski, Luis
7 Navarro, Jesse Suarez, Luz Navarro, Alonso Navarro, Alex Rosales,
8 and Martin Garcia. These employees were specifically targeted due to
9 their relationship with Edalat. In addition to this, these employees were
10 wrongfully terminated in direct retaliation for reporting the illegal
11 activities of Cahill, Weimann, and the other Plaintiffs:
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16 47. Cahill damaged the Company materially by hiring employees, and
17 contractors, with questionable backgrounds, without performing
18 necessary due diligence or full disclosure to Shareholders:
19

- 20 a. Dr. Ludwig Jan Weimann, Chief Technology Officer hired on or
21 about June 2015: An expert in transdermal patch delivery
22 systems, Weimann had formerly worked at an unlicensed
23 transdermal patch research and manufacturing facility in San
24 Diego, California, illegally producing Tetrahydrocannabinol
25 "THC", Cannabidiol "CBD", and other medical marijuana related
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1 patches and unregistered, unapproved, medical devices.

2 Weimann possessed a California medical marijuana card, and
3 obtained samples of THC among other illicit substances
4 through his pre-existing relationships in the marijuana industry;
5 attached as Exhibit SS are examples of Weimann's use of
6 cannabinoid, "CBD", and history of contacts within the
7 marijuana industry.
8
9

10 i. Weimann was paid a salary of approximately \$93,000 per
11 year, including benefits such as lease payments on a BMW
12 328i.
13

14 ii. Weimann was to produce for Pharma Pak, Inc. a series of
15 patents for among other things, transdermal patches.
16

17 Weimann, in a move calculated to secure his employment
18 contract and full benefits, stated that he owned these
19 patents, however, this was a fraudulent statement.
20

21 iii. Weimann and Cahill further conspired to place patent
22 applications for illicit substances under Edalat's name in
23 order to hide the true originator of the patents.
24
25
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1 iv. Weimann and Cahill are currently conspiring, as of June
2 2016, to reassign patents otherwise belonging to Pharma
3 Pak, Inc.
4

5 v. It was the promise of these certain Pharma Pak, Inc. patents
6 that caused Edalat and other investors to continue funding
7 Pharma Pak, Inc. operations.
8

9 b. Mark John Erfurt, Information Technology Consultant engaged
10 at the formation of the Company in February 2015: Erfurt has a
11 criminal history for hacking, and unauthorized access into
12 computer systems of a Cahill competitor in 2003. Furthermore,
13 Erfurt had been convicted of obstructing an FBI investigation in
14 order to protect Cahill and his company, Centaur Corporation,
15 and sentenced to five months' imprisonment as well as five
16 months' house arrest and three years' probation. A true and
17 correct copy of the Department of Justice press release dated
18 August 31, 2004, and an article concerning the incident dated
19 December 1, 2004 are attached as Exhibit TT. This had not
20 been disclosed to Edalat or the other shareholders and
21 employees of the Company. Erfurt was given full access to
22 employee computers, employee passwords, confidential
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1 Company information, given false reimbursements, and
2 exaggerated compensation. As of February 2016, Erfurt was
3 paid in excess of \$26,000 through his company Tec-in-a-Sec,
4 which holds no business license in Irvine, California, for
5 management of a pre-existing computer network encompassing
6 fewer than 7 full time users.
7

8
9 *Furthermore, Erfurt has destroyed vital company records,*
10 *including electronic mail belonging to Defendants', and stolen*
11 *non-Pharma Pak, Inc. servers and computer systems from the*
12 *17809 Gillette Facility. Erfurt has also removed and potentially*
13 *destroyed the pre-existing video surveillance system present in*
14 *the 17809 Gillette Avenue facility.*
15
16

- 17
18 c. Ertan Aydinol, Vice President of Manufacturing hired on or
19 about December 2015: Aydinol formerly worked with Weimann
20 at the unlicensed patch facility in San Diego, and at the time of
21 his hire was spending a majority of his time travelling between
22 the United States and Turkey, where his father purportedly
23 owns a manufacturing facility. Unbeknownst to Edalat,
24 Karpinski and the other shareholders and employees, but
25 known to Cahill, Aydinol had previously been investigated by
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1 the FBI for suspected bomb making activities. Although the FBI
2 could not conclusively prove Aydinol's participation in illegal
3 activities, he was banned from "owning certain items". Aydinol,
4 despite not having performed any work for the Company, was
5 awarded a base salary of \$165,600 annually, plus full benefits
6 and full commission. A true and correct copy of Aydinol's
7 unsigned employment agreement is attached as Exhibit UU.
8 Aydinol had stated to Cahill that he had been making "over
9 \$10,000 a month" at his former employer; however, Cahill never
10 did his due diligence, and it came to light that Aydinol's actual
11 previous salary was a fraction thereof, and Aydinol's statements
12 were purposefully fraudulent and misleading.
13

14 Most recently, Aydinol has been arrested for DUI and
15 possession related charges for amphetamines in Boulder,
16 Colorado, where it is believed he currently resides. A true and
17 correct copy of Aydinol's arrest record and accompanying
18 toxicology report is attached as Exhibit VV
19

20 As of February 2016, Aydinol was paid bonuses and advances
21 for manufacturing in excess of \$38,000, not including cash
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1 removed from the Pharma Pak, Inc. bank account under the
2 guise of manufacturing payment.

3
4 d. Leslie Harold Wood, controller, hire date unknown: Wood is a
5 long time employee of Cahill's, and by his own admission
6 controls the accounting for many of Cahill's entities, including
7 Kira Investments (aka Kira Invest), the Cahill Family Trust,
8 Centaur Corporation, Centaur Sales, the Bruce E. Cahill Family
9 Trust, and other as to yet unknown entities thought to total
10 approximately 9 entities, as according to Wood himself. Wood
11 was given an initial \$1,800 per month salary by Pharma Pak,
12 that was then, without approval or proof of an employment
13 contract, raised to an annual salary of \$90,000. Wood controls
14 and maintains the books and records, including accounting, for
15 Cahill's various operations and shell corporations, signs all
16 checks, orders supplies for these operations, and oversees the
17 movement of money between Cahill's various bank accounts.
18
19

20
21 i. Wood deliberately conspired with Cahill for failure to pay the
22 lease payments at 17809 Gillette Ave for February and
23 March of 2016, and failure to pay thousands of dollars in
24 invoices to utilities and service providers.
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1 1. Wood failed to notify shareholders, or the lessor of
2 17809 Gillette Avenue that he did not intend to further
3 pay payments on the property, *knowing that Edalat*
4 *was personal guarantor on the Pharma Pak, Inc. lease*
5 *on the property.*
6

7 a. At the time of the firing of Employees there
8 existed enough funds in the First Foundation
9 Bank account to pay the due lease payments
10 and utility bills. Wood deliberately paid Erfurt,
11 among others, the remaining monies in an
12 attempt to drain the bank account.
13
14
15

16 e. All four of these employees are currently employed by Life Tech
17 Global LLC (possibly doing business as Pharma Patch), the
18 successor corporation for Pharma Pak.
19

20 48. Cahill repeatedly and deliberately sabotaged Pharma Pak, Inc. and
21 conspired with fellow plaintiffs Cullen, Scott, and Franco to defraud
22 Edalat and other investors in the Company, for their own gain, and to
23 remove assets of Pharma Pak Inc., including investor monies.
24

25 Examples of these acts include but are not limited to:
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27
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- a. Deliberate circumvention of Federal law in order to circumvent legal reporting requirements for cash withdrawals over the \$10,000 reporting limit; in other words, structuring.
- b. Failure to obtain necessary licensure on the 17809 Gillette Avenue manufacturing facility in Irvine, California.
- c. Deliberate delay in engagement of necessary consultants and contractors to obtain the aforementioned licensure.
- d. Deliberate circumvention of State and Federal law to produce illicit medical marijuana patches, including those containing Tetrahydrocannabinol “THC” and Cannabidiol “CBD”.

1. Cahill had been warned by many industry experts and advisors not to produce these items in an unlicensed facility, yet proceeded to do so.

- e. Deliberate circumvention of State and Federal law to produce unlicensed medical devices in the form of transdermal patches, and other items.
- f. Further, while Edalat was overseas, in a self-styled “clandestine” operation at Weimann and Aydinol’s former employer in San Diego, Cahill ordered the production of illicit THC and CBD containing patches. In order to preserve the Court’s time, the

1 entirety of these conversations have not been reproduced, but
2 may be found in Defendant Karpinski's Answer to the First
3 Amended Complaint, Docket 29 of this case, as *Exhibit U*.
4

5 i. Cahill paid to Aydinol a sum in excess of \$19,000 for this
6 illicit production, in cash withdrawn from the Pharma Pak
7 bank account on or around December 7, 2015. A
8 photograph of which Aydinol messaged to Karpinski on
9 December 11, 2016 at 4:52 PM under the heading "*This*
10 *is how I do business with Bruce....) LOL*".
11

12 Location data of the photograph puts Cahill and Aydinol in
13 La Jolla, California, near the site of the unlicensed
14 manufacturing facility. This photograph depicts the interior
15 of Cahill's late model Jaguar, with Cahill holding stacks of
16 \$100 dollar bills in his hands, and stacks of \$100 dollar
17 bills placed on the center console. It is believed that
18 Aydinol and Cahill kept the cash. A true and correct copy
19 of this photograph, along with the accompanying text
20 message, are attached hereto as Exhibit WW
21

22 ii. On around February 22, 2016, Cahill attempted to induce
23 Karpinski into selling these patches by accepting cash in
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1 exchange for delivery of illegal materials. Believing this to
2 be a set up, and a criminal act, Karpinski refused to
3 participate in the transaction and notified Cahill, Edalat,
4 and the other shareholders of her concern. In order to
5 preserve the Court's time, the entirety of these
6 conversations have not been reproduced, but may be
7 found in Defendant Karpinski's Answer to the First
8 Amended Complaint, Docket 29 of this case, as *Exhibit Z*
9 and *Exhibit AA*.

- 10
11
12
13 g. Cahill and Plaintiffs conspired to grossly mismanage, and
14 embezzle, from the corporate bank accounts and to defraud
15 fellow non-plaintiff investors: These acts include, but are not
16 limited to:
17
18 i. Grossly exaggerated compensation to Ertan Aydinol,
19 Mark Erfurt, and Leslie Wood.
20
21 ii. Cash payments to Aydinol for illicit patch manufacturing at
22 the San Diego facility of his former employer.
23
24 iii. Overseas wire transfers to Aydinol for production of
25 alleged machinery in excess of \$20,000. Delivery of these
26 machines were then accepted by the Pharma Pak, Inc.
27
28

1 successor company LifeTech Global LLC (possibly doing
2 business as Pharma Patch).

3
4 iv. Wire transfers to KNB Mfg. & Automation LLC in excess
5 of \$80,000 for machinery that was then removed by
6 Pharma Pak, Inc. successor company LifeTech Global
7 LLC (possibly doing business as Pharma Patch).
8

9
10 v. Other payments with as yet to be calculated sums for
11 equipment and supplies removed by Pharma Pak, Inc.
12 successor company LifeTech Global LLC (possibly doing
13 business as Pharma Patch).
14

15 vi. Payment of illicit salaries to Plaintiff Cahill, to the tune of
16 \$20,000 per month, for an unknown amount of time,
17 without an employment contract or Board approval.
18

19 vii. Payment of Cahill's own credit card, and personal
20 expenses, through the Company accounts.
21

22 viii. Payment to Kira Investments (Kira Invest), a Cahill family
23 owned and controlled Company, based on a fraudulent,
24 forged, lease in excess of \$30,000.
25

26 ix. Payment of Company funded travel to Las Vegas and
27 Colorado for non-company related activities, including a
28

1 visit by Dr. Weimann to Las Vegas, on or around
 2 September 29, 2015, for a visit to the 1850 Whitney Mesa
 3 property, under the guise of attendance at an industry
 4 conference. Cahill had, in a text message on September
 5 22, 2015, inquired of Edalat "*Do you have connections for*
 6 *rooms for Ludwig and me for Monday night in Vegas for*
 7 *the PharmaPak show?*". A copy of this text message was
 8 earlier incorporated as Exhibit K.
 9

10 In order to preserve the Court's time, a photograph of
 11 Weimann and Cahill inside the building has not been
 12 reproduced, but may be found in Defendant Karpinski's
 13 Answer to the First Amended Complaint, Docket 29 of this
 14 case, as *Exhibit CC*.
 15

- 16 x. Conspiring with Leslie Wood for payment of other non
 17 Pharma Pak, Inc., payments through the Company bank
 18 account without approval.
 19

20 49. Cahill and Plaintiffs, including Wood and Brent Cahill, also conspired
 21 to defraud Edalat, and fraudulently induce Edalat's further investment
 22 into the Company with the presentation of falsified accounting, along
 23 with falsified business projections.
 24
 25
 26
 27
 28

- 1 a. In or about May of 2015, Plaintiff Cahill hired his then 17-year-old
2 son Brent Cahill, as a “financial analyst”, despite Cahill’s lack of
3 experience or expertise in the area. Plaintiff Cahill conspired with
4 Cahill to produce falsified projections based on potential business
5 for the Company, that led to Edalat’s further investment in Pharma
6 Pak, Inc. Attached as Exhibit XX is a screen shot of Brent Cahill’s
7 Facebook.com social media profile stating that he was employed
8 by Pharma Pak, Inc. in this capacity.
9
10
11
- 12 b. Cahill’s projections were also used as a basis for the valuation of
13 Pharma Pak, Inc. by Plaintiff Cullen, who stated in a meeting in or
14 about January 2016 that he felt Pharma Pak, Inc. was slated to be
15 worth at least \$300,000,000 in the next two years. Attached as
16 Exhibit YY is an email from non-plaintiff Pharma Pak, Inc.
17 shareholder John Crowther to Edalat on January 20, 2016,
18 reiterating Cullen’s statement. This email followed the Pharma
19 Pak, Inc., shareholder’s meeting wherein Cahill’s duplicity was
20 discovered by non-plaintiff Shareholder Amir Asvadi.
21
22
23
24
- 25 c. Wood presented to Edalat and shareholders falsified accounting
26 records. When asked for the complete records, it took Wood over
27 2 weeks from the date of request on or about February 1, 2016 to
28

1 provide a Microsoft Excel spread sheet work book of expenses,
2 despite the fact that on June 3, 2015 the Company paid over
3 \$2,000 for QuickBooks Enterprise edition. Plaintiff Cullen finally
4 provided the requested accounting records on or about February
5 17, 2016.
6

7
8 50. Pharma Pak, Inc.'s successor company is Life Tech Global, LLC.

9 Plaintiffs' are holding Defendant Edalat's shares in Constructive Trust.

10
11 a. Plaintiffs' have moved Pharma Pak's patents, cash, and other
12 assets to this new entity by fraudulent means and without
13 shareholder approval.
14

15 b. *Plaintiffs conspired to form this entity even before the firing of*
16 *Pharma Pak, Inc. Employees on March 3, 2016.*
17

18 c. Plaintiffs have, and are currently, conspiring to defraud non-
19 plaintiff Shareholders by reassigning certain patents and
20 trademarks as belonging to Pharma Pak, Inc.
21

22 d. Plaintiffs further conducted business as Pharma Pak, Inc., in order
23 to move business to Life Tech Global, LLC (possibly also doing
24 business as Pharma Patch).
25

26 e. Plaintiffs' formed Life Tech Global, LLC on March 9, 2016 in the
27 State of Delaware, despite the fact that Plaintiffs' nor anyone else
28

1 involved has any ties with that State, only because that State does
2 not require entities organized under its laws to be identified
3 publically. A true and correct copy of Life Tech Global, LLC's Entity
4 Details from the State of Delaware's Division of Corporation's
5 website is attached hereto as Exhibit ZZ. Edalat is informed based
6 on belief that Plaintiffs' utilized a third party registered agent InCorp
7 Services, Inc., to perform this transaction and to evade detection.
8

9
10 f. Plaintiffs registered the domain name of LifeTechGlobal.net on
11 March 10, 2016. Attached as Exhibit AAA is a copy of the WHOIS
12 report from ICANN.org.
13

14
15 g. Attached as Exhibit BBB are screenshots of Life Tech Global's
16 website at www.lifetechglobal.net/about.html. Plaintiffs' have
17 committed RICO with their statements.
18

19 i. On the Life Tech Global website, Plaintiffs' state "*Life Tech*
20 *Global a 24,000 square foot manufacturing facility in Irvine,*
21 *CA, delivering products that positively influence the standard*
22 *of care for our providers and their patients, while enhancing*
23 *outcomes for our partners and stakeholders. Pharma Pak*
24 *[sic] can ship most products to all 50 states."*
25
26
27
28

1 *passes or attempts or offers to pass, as true and genuine, any*
2 *of the following items, knowing the same to be false, altered,*
3 *forged, or counterfeited, is guilty of forgery: any check, bond,*
4 *bank bill, or note, cashier's check, traveler's check, money*
5 *order, post note, draft, any controller's warrant for the*
6 *payment of money at the treasury, county order or warrant, or*
7 *request for the payment of money, receipt for money or*
8 *goods, bill of exchange, promissory note, order, or any*
9 *assignment of any bond, writing obligatory, or other contract*
10 *for money or other property, contract, due bill for payment of*
11 *money or property, receipt for money or property, passage*
12 *ticket, lottery ticket or share purporting to be issued under the*
13 *California State Lottery Act of 1984, trading stamp, power of*
14 *attorney, certificate of ownership or other document*
15 *evidencing ownership of a vehicle or undocumented vessel,*
16 *or any certificate of any share, right, or interest in the stock of*
17 *any corporation or association, or the delivery of goods or*
18 *chattels of any kind, or for the delivery of any instrument of*
19 *writing, or acquittance, release or discharge of any debt,*
20
21
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1 *account, suit, action, demand, or any other thing, real or*
 2 *personal, or any transfer or assurance of money, certificate of*
 3 *shares of stock, goods, chattels, or other property whatever,*
 4 *or any letter of attorney, or other power to receive money, or*
 5 *to receive or transfer certificates of shares of stock or*
 6 *annuities, or to let, lease, dispose of, alien, or convey any*
 7 *goods, chattels, lands, or tenements, or other estate, real or*
 8 *personal, or falsifies the acknowledgment of any notary*
 9 *public, or any notary public who issues an acknowledgment*
 10 *knowing it to be false; or any matter described in subdivision*
 11 *(b)."*

12
13
14
15
16
17 52. Penal Code § 472

18 *"Every person who, with intent to defraud another, forges, or*
 19 *counterfeits the seal of this State, the seal of any public officer*
 20 *authorized by law, the seal of any Court of record, or the seal of*
 21 *any corporation, or any other public seal authorized or*
 22 *recognized by the laws of this State, or of any other State,*
 23 *Government, or country, or who falsely makes, forges, or*
 24 *counterfeits any impression purporting to be an impression of*
 25 *any such seal, or who has in his possession any such*
 26
27
28

1 *counterfeited seal or impression thereof, knowing it to be*
2 *counterfeited, and willfully conceals the same, is guilty of*
3 *forgery.”*
4

5
6
7 53. Violation of Rule 10(b)5
8

9 Rule 10b5 of the Securities Exchange Act of 1934

10 Employment of Manipulative and Deceptive Devices

11 *It shall be unlawful for any person, directly or indirectly, by the*
12 *use of any means or instrumentality of interstate commerce, or*
13 *of the mails or of any facility of any national securities*
14 *exchange,*
15

16 *a. To employ any device, scheme, or artifice to defraud,*
17

18 *b. To make any untrue statement of a material fact or to omit to*
19 *state a material fact necessary in order to make the statements*
20 *made, in the light of the circumstances under which they were*
21 *made, not misleading, or*
22

23 *c. To engage in any act, practice, or course of business which*
24 *operates or would operate as a fraud or deceit upon any*
25 *person, in connection with the purchase or sale of any security.*
26
27
28

1
2 54. EMBEZZLEMENT UNDER CALIFORNIA PENAL CODE 503 & 504

3
4 *“Embezzlement is the fraudulent appropriation of property by a*
5 *person to whom it has been entrusted.”*

6
7 Cite as Ca. Pen. Code § 503

8 *“Every officer of this state, or of any county, city, city and*
9 *county, or other municipal corporation or subdivision thereof,*
10 *and every deputy, clerk, or servant of that officer, and every*
11 *officer, director, trustee, clerk, servant, or agent of any*
12 *association, society, or corporation (public or private), who*
13 *fraudulently appropriates to any use or purpose not in the due*
14 *and lawful execution of that person's trust, any property in his or*
15 *her possession or under his or her control by virtue of that trust,*
16 *or secretes it with a fraudulent intent to appropriate it to that use*
17 *or purpose, is guilty of embezzlement.*

18
19
20
21
22 Cite as Ca. Pen. Code § 504

23
24 55. VIOLATION OF 18 USC 1961

25 *“As used in this chapter - "racketeering activity" means (A) any*
26 *act or threat involving murder, kidnapping, gambling, arson,*
27 *robbery, bribery, extortion, dealing in obscene matter, or*
28 *dealing in a controlled substance or listed chemical (as defined*

1 in section 102 of the Controlled Substances Act), which is
2 chargeable under State law and punishable by imprisonment
3 for more than one year; (B) any act which is indictable under
4 any of the following provisions of title 18, United States Code:
5 Section 201 (relating to bribery), section 224 (relating to sports
6 bribery), sections 471, 472, and 473 (relating to counterfeiting),
7 section 659 (relating to theft from interstate shipment) if the act
8 indictable under section 659 is felonious, section 664 (relating
9 to embezzlement from pension and welfare funds), sections
10 891-894 (relating to extortionate credit transactions), section
11 1028 (relating to fraud and related activity in connection with
12 identification documents), section 1029 (relating to fraud and
13 related activity in connection with access devices), section 1084
14 (relating to the transmission of gambling information), section
15 1341 (relating to mail fraud), section 1343 (relating to wire
16 fraud), section 1344 (relating to financial institution fraud),
17 section 1425 (relating to the procurement of citizenship or
18 nationalization unlawfully), section 1426 (relating to the
19 reproduction of naturalization or citizenship papers), section
20 1427 (relating to the sale of naturalization or citizenship
21 papers), sections 1461-1465 (relating to obscene matter),
22 section 1503 (relating to obstruction of justice), section 1510
23 (relating to obstruction of criminal investigations), section 1511
24 (relating to the obstruction of State or local law enforcement),
25 section 1512 (relating to tampering with a witness, victim, or an
26 informant), section 1513 (relating to retaliating against a
27 witness, victim, or an informant), section 1542 (relating to false
28 statement in application and use of passport), section 1543

1 *(relating to forgery or false use of passport), section 1544*
2 *(relating to misuse of passport), section 1546 (relating to fraud*
3 *and misuse of visas, permits, and other documents), sections*
4 *1581-1592 (relating to peonage, slavery, and trafficking in*
5 *persons)., ^[1] section 1951 (relating to interference with*
6 *commerce, robbery, or extortion), section 1952 (relating to*
7 *racketeering), section 1953 (relating to interstate transportation*
8 *of wagering paraphernalia), section 1954 (relating to unlawful*
9 *welfare fund payments), section 1955 (relating to the prohibition*
10 *of illegal gambling businesses), section 1956 (relating to the*
11 *laundering of monetary instruments), section 1957 (relating to*
12 *engaging in monetary transactions in property derived from*
13 *specified unlawful activity), section 1958 (relating to use of*
14 *interstate commerce facilities in the commission of murder-for-*
15 *hire), section 1960 (relating to illegal money transmitters),*
16 *sections 2251, 2251A, 2252, and 2260 (relating to sexual*
17 *exploitation of children), sections 2312 and 2313 (relating to*
18 *interstate transportation of stolen motor vehicles), sections*
19 *2314 and 2315 (relating to interstate transportation of stolen*
20 *property), section 2318 (relating to trafficking in counterfeit*
21 *labels for phono records, computer programs or computer*
22 *program documentation or packaging and copies of motion*
23 *pictures or other audiovisual works), section 2319 (relating to*
24 *criminal infringement of a copyright), section 2319A (relating to*
25 *unauthorized fixation of and trafficking in sound recordings and*
26 *music videos of live musical performances), section 2320*
27 *(relating to trafficking in goods or services bearing counterfeit*
28 *marks), section 2321 (relating to trafficking in certain motor*

1 vehicles or motor vehicle parts), sections 2341-2346 (relating to
 2 trafficking in contraband cigarettes), sections 2421-24 (relating
 3 to white slave traffic), sections 175-178 (relating to biological
 4 weapons), sections 229-229F (relating to chemical weapons),
 5 section 831 (relating to nuclear materials), (C) any act which is
 6 indictable under title 29, United States Code, section 186
 7 (dealing with restrictions on payments and loans to labor
 8 organizations) or section 501 (c) (relating to embezzlement
 9 from union funds), (D) any offense involving fraud connected
 10 with a case under title 11 (except a case under section [157](#) of
 11 this title), fraud in the sale of securities, or the felonious
 12 manufacture, importation, receiving, concealment, buying,
 13 selling, or otherwise dealing in a controlled substance or listed
 14 chemical (as defined in section 102 of the Controlled
 15 Substances Act), punishable under any law of the United
 16 States, (E) any act which is indictable under the Currency and
 17 Foreign Transactions Reporting Act, (F) any act which is
 18 indictable under the Immigration and Nationality Act, section
 19 274 (relating to bringing in and harboring certain aliens), section
 20 277 (relating to aiding or assisting certain aliens to enter the
 21 United States), or section 278 (relating to importation of alien
 22 for immoral purpose) if the act indictable under such section of
 23 such Act was committed for the purpose of financial gain, or (G)
 24 any act that is indictable under any provision listed in section
 25 2332b (g)(5)(B);

26
 27 56. California Corporations Code Section §2253:
 28

1 *“Any director of a stock corporation, domestic or foreign, who concurs*
2 *in any vote or act of the directors of the corporation or any of them,*
3 *knowingly and with dishonest or fraudulent purpose, to make any*
4 *dividend or distribution of assets except in the cases and in the*
5 *manner allowed by law, either with the design of defrauding creditors*
6 *or shareholders or of giving a false appearance to the value of the*
7 *stock and thereby defrauding subscribers or purchasers, is guilty of a*
8 *misdemeanor, punishable by a fine of not more than one thousand*
9 *dollars (\$1,000) or imprisonment for not more than one year or both.”*
10 *California Corporations Code §2254.*

11 *Every director, officer or agent of any corporation, domestic or*
12 *foreign, is guilty of a felony (a) who knowingly concurs in making,*
13 *publishing or posting either generally or privately to the shareholders*
14 *or other persons (1) any written report, exhibit, statement of its affairs*
15 *or pecuniary condition or notice containing any material statement*
16 *which is false, or (2) any untrue or willfully or fraudulently*
17 *exaggerated report, prospectus, account, statement of operations,*
18 *values, business, profits, expenditures or prospects, or (3) any other*
19 *paper or document intend to produce or give, or having a tendency to*
20 *produce or give, the shares of stock in such corporation a greater*
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1 *value or a less apparent or market value than they really possess, or*
 2 *(b) who refuses to make any book entry or post any notice required*
 3 *by the law in manner required by law.*
 4

5
 6 FIRST CLAIM FOR RICO BY ALL CROSS-COMPLAINANT AGAINST ALL
 7 CROSS-DEFENDANTS
 8

9 57. CROSS-COMPLAINANT re-alleges each and every allegation
 10 contained in ¶¶ 1 – 56.

11 58. CROSS-DEFENDANTS have conspired to steal the business started
 12 by Edalat. The purpose of this was so that they could steal intellectual
 13 property, assets, and cash in order to manufacture illegal Schedule 1
 14 drugs on the Controlled Substance Act.

15 59. The Majority Shareholder, Paul Edalat, notified law enforcement of
 16 the illegal activities and law enforcement found a significant amount of
 17 THC liquid hidden in the building by Cahill and the other Cross-
 18 Defendants

19 60. Immediately upon finding out that the police had been called and
 20 taken their hidden illegal product the Cross-Defendants fired these
 21 CROSS-COMPLAINANTS. Cross-Defendants then moved their
 22 operations to two additional locations: 2929 Oceanside Blvd in Oceanside
 23 California, and 17802 Sky Park Circle in Irvine, California. At these
 24 locations they are producing, with Pharma Pak, Inc. owned equipment
 25 and intellectual property, illegal Schedule 1 drugs, and unregistered
 26 medical devices.

27 61. Additionally, these CROSS-DEFENDANTS have used the wire
 28 services, US Mail services, committed bank, wire, and postal fraud in their

1 criminal actions and activities. They have also embezzled more than
 2 \$1,000,000 in cash and assets from Pharma Pak, Inc and its rightful
 3 shareholders.

4 62. As a direct result of this conspiracy and illegal acts, the CROSS-
 5 DEFENDANTS have stolen Edalat's business which had been valued at
 6 over \$100,000,000. Pursuant to the RICO statutes Edalat would be
 7 entitled to damages of three times that amount plus the actual amount of
 8 the damages, bringing these damages to a total of \$400,000,000 against
 9 these CROSS-DEFENDANTS.

10
 11 SECOND CLAIM FOR EMBEZZLEMENT
 12 AGAINST ALL CROSS-DEFENDANTS

13 63. CROSS-COMPLAINANTS re-alleges each and every allegation
 14 contained in ¶¶ 1 – 62.

15 64. CROSS-DEFENDANTS all conspired to steal money and assets from
 16 PHARMA PAK, INC. which had been given to the company by EDALAT
 17 as part of the agreement for the formation of this new corporation. Cahill
 18 and fellow cross-Defendants stole more than \$1,000,000 in cash and
 19 assets from Pharma Pak, Inc. and illegally transferred these to their new
 20 entity, Life Tech Global, LLC.

21 65. Additionally, Bruce Cahill forged a lease with EDALAT's signature on
 22 it for a building owned by Cahill and his family under the entity Kira
 23 Investments, LLC, so that he could pass the lease off to First Foundation
 24 Bank as sufficient income to qualify for a \$5,000,000 loan on his residence
 25 at 1330 Moorea in Laguna Beach, California. Money was then taken
 26 monthly from PHARMA PAK, INC. to make the monthly payments on this
 27 fraudulently induced loan for Cahills' personal benefits.
 28

1 66. First Foundation Bank approved this fraudulent lease given their long
2 relationship with Cahill as Trustee of the University of California at Irvine.

3 67. Each of these CROSS-COMPLAINANTS has been damaged by the
4 actions of these Cross-Defendants, in an amount to be proven at time of
5 trial.

6
7 **THIRD CLAIM FOR BREACH OF CONTRACT BY CROSS-**
8 **COMPLAINANT AGAINST CROSS-DEFENDANTS**

9 68. CROSS-COMPLAINANT re-alleges each and every allegation
10 contained in ¶¶ 1 – 66.

11 69. CROSS-DEFENDANTS stole all of the assets of PHARMA PAK, INC
12 including patents, trademarks, cash, and equipment. These CROSS-
13 DEFENDANTS stole and embezzled these assets and moved their
14 operations to two additional locations: 2929 Oceanside Blvd in Oceanside
15 California, and 17802 Sky Park Circle in Irvine, California. At these
16 locations they are producing, with Pharma Pak, Inc. owned equipment
17 and intellectual property, illegal Schedule 1 drugs, and unregistered
18 medical devices.

19 70. Immediately upon finding out that law enforcement had been called
20 and law enforcement had taken their hidden illegal product the Cross-
21 Defendant Cahill and the other CROSS-DEFENDANTS, in an act of
22 retaliation, fired Karpinski and all of the other employees so as to make
23 PHARMA PAK INC. totally insolvent, and to complete their conspiracy to
24 steal all of the company and its assets, thereby breaching their contract
25 with EDALAT.

26 71. This is textbook breach of contract. The contract was entered into by
27 Cahill and EDALAT to form the new corporation. The corporation is
28 formed and Cahill gains control of it. Cahill brings his fellow conspirators

1 into the Company, and all monies that were placed into the company bank
 2 accounts is stolen by them along with Pharma Pak, Inc's patents,
 3 trademarks, equipment, and other assets.

4 72. PAUL EDALAT has been damaged by the actions of these Cross-
 5 Defendants, in an amount to be proven at time of trial.

6
 7 FORTH CLAIM FOR BREACH OF FIDUCIARY DUTIES BY CROSS-
 8 COMPLAINANT AGAINST CROSS-DEFENDANTS

9 73. CROSS-COMPLAINANT re-alleges each and every allegation
 10 contained in ¶¶ 1 – 71.

11 74. CROSS-COMPLAINANT was owed a Fiduciary Duty by all Board
 12 Members, including these CROSS-DEFENDANTS.

13 75. These CROSS-DEFENDANTS breached their duties by stealing
 14 company assets, attempting to steal EDALAT's patents, moving all of the
 15 company assets out of the Gillette Avenue office in Irvine California, and
 16 moving operations to two new locations. Also, these CROSS-
 17 DEFENDANTS breached their duties when Cahill improperly sexually
 18 harrassed Karpinski on numerous occasions, and fired all of the
 19 employees in retaliation for their reporting of Cross-Defendant's illegal
 20 behavior.

21 76. PAUL EDALAT has been damaged by the actions of these CROSS-
 22 DEFENDANTS, in an amount to be proven at time of trial.

23
 24 FIFTH CLAIM FOR BREACH OF THE COVENANT OF GOOD FAITH AND
 25 FAIR DEALINGS BY CROSS-COMPLAINANT AGAINST CROSS-
 26 DEFENDANTS

27 77. CROSS-COMPLAINANT re-alleges each and every allegation
 28 contained in ¶¶ 1 – 57.

1 78. In California there is a covenant of Good Faith and Fair Dealings in
2 every contract.

3 79. By doing the acts complained of hereinabove, these CROSS-
4 DEFENDANTS have breached their contract and this covenant of good
5 faith and fair dealings.

6 80. CROSS-COMPLAINANT has been damaged as a direct result of the
7 actions of these CROSS-DEFENDANTS' actions in an amount of damage
8 to be proven at time of trial, but no less than \$100,000,000.
9

10
11 SIXTH CLAIM FOR BREACH OF FIDUCIARY DUTIES BY CROSS-
COMPLAINANT AGAINST CROSS-DEFENDANTS

12 81. CROSS-COMPLAINANT re-alleges each and every allegation
13 contained in ¶¶ 1 – 79.

14 82. Cahill and the other board members owed a fiduciary duty to Edalat.

15 83. Cahill and the other board members breach that duty by embezzlement
16 of company assets and contracts and making illegal drugs on the
17 premises without a license.

18 84. CROSS-COMPLAINANT has been damaged as a direct result of the
19 actions of these CROSS-DEFENDANTS' actions in an amount of damage
20 to be proven at time of trial, but no less than \$100,000,000.
21

22
23 SEVENTH CLAIM FOR FRAUD BY CROSS-COMPLAINANT AGAINST
CROSS-DEFENDANTS

24 85. CROSS-COMPLAINANT re-alleges each and every allegation
25 contained in ¶¶ 1 – 83.

26 86. CROSS-COMPLAINANT entered into a group of contracts with these
27 Cross-Defendants which the Cross-Defendants broke because they
28 never intended to comply with the terms and conditions of the contract.

1 87. Cross-Defendants also fraudulently induced CROSS-COMPLAINANT
2 into these contracts so that they could gain control of his company, his
3 patents and his contacts so that they could steal the company.

4 88. CROSS-COMPLAINANT has been damaged as a direct result of the
5 actions of these CROSS-DEFENDANTS' actions in an amount of damage
6 to be proven at time of trial, but no less than \$100,000,000.

7 89. Cross-Complainant will also seek to impose a Constructive Trust on all
8 properties where the stolen moneys and assets have been taken and
9 hidden by these Cross-Defendants; including their homes, office buildings
10 and bank accounts.

11
12 DEMAND FOR JURY TRIAL

13 Demand is hereby made by the Plaintiff for a trial by Jury.
14

15 WHEREFORE, Plaintiffs prays for judgment as follows:

- 16 1. General Damages according to proof.
17 2. Special Damages according to Proof.
18 3. Punitive Damages according to Proof.
19 4. RICO Damages according to Proof.
20 5. Such other relief as the court deems proper.
21

22 DATED: June 21, 2016
23

24 THE DURST FIRM

25 /S/ LEE H. DURST
26

27 BY: _____
28 LEE H. DURST

1
2 DATED: June 21, 2016

3 LAW OFFICES OF LARRY ROTHMAN

4
5 /S/ LARRY ROTHMAN

6
7 BY: _____
8 LARRY ROTHMAN
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PROOF OF SERVICE
State of California, County of Orange

I am employed in the county and state aforesaid. I am over the age of 18 and not a party to the within action. My business address is 23 Corporate Plaza, Suite 150, Newport Beach, CA 92660.

On June 21, 2016, I served the foregoing document described as:
ANSWER & CROSS-COMPLAINT / COUNTER - CLAIM
on the parties listed below in this action by placing a true copy thereof or the originals via electronic mail through the ECF system of the United States District Court to the following

JMarkham@markhamread.com, BZerner@markhamread.com, &
ERead@markhamread.com

Attorneys for Plaintiffs & Cross-Defendants

TOCOLLECT@aol.com

Attorney for Defendants and Cross-Complainants

[X] BY ELECTRONIC MAIL. I caused the above document to be electronically mailed through the ECF system of the United States District Court. Executed on June 21, 2016, at Newport Beach, California.

[X] FEDERAL. I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

I declare under penalty of perjury under the laws of United States and the State of California that the above is true and correct.

/S/ Lee H. Durst

Lee H. Durst